DEPARTMENT OF THE NAVY

PUGET SOUND NAVAL SHIPYARD
AND INTERMEDIATE MAINTENANCE FACILITY
1400 FARRAGUT AVENUE
BREMERTON, WASHINGTON 98314-5001

IN REPLY REFER TO
5090.7-4
Ser 106.32/0097
MAR 14 2008

Mr. Michael A. Bussell
U.S. Environmental Protection Agency
Region 10
Office of Compliance and Enforcement
1200 Sixth Avenue (OCE-164)
Seattle, WA 98101

Dear Mr. Bussell:

On February 21, 2008 we received a Notice of Violation (Notice) issued under the Clean Water Act, 33 U.S.C. §§1251 *et seq.* This Notice was issued for exceeding effluent limitations of our National Pollutant Discharge Elimination System (NPDES) permit. The Navy and the Puget Sound Naval Shipyard and Intermediate Facility (PSNS & IMF) take compliance with environmental permits, and our duty to be good stewards of the environment, very seriously. As you would expect, long before we received your Notice, my staff has been investigating root causes and developing solutions to this difficult problem. This letter is our written response describing the efforts that we have, or will make, to correct these NPDES violations as required by your Notice.

The exceedances listed in this Notice are from two different types of operations. Five of the exceedances were from Outfall 021. This outfall is the treated effluent from our steam plant's wastewater treatment plant. The other 56 exceedances are from the PSNS & IMF dry-dock drainage systems.

The exceedances from the steam plant at Outfall 021 were caused by equipment failure (e.g., pH detector) and in some cases maintenance problems. Each of these exceedances were independent and the root causes have been corrected by replacing equipment and increasing management oversight of maintenance practices. We have educated the Navy Command responsible for maintenance of this facility about the direct effect their maintenance and operation of this facility has on permit compliance and the environment. As a result, we believe that our corrective actions are adequate and the possibility of a reoccurrence is minimal.

Correcting the exceedances from our dry docks presents a bigger challenge. We received a previous Notice of Violation for exceedances of our copper discharge limits in May of 1999. At that time, the majority of our exceedances were exceedances of concentration far above that allowed by our permit. When we received the 1999 Notice, PSNS & IMF was in the process of installing new technology, our process water collection system (PWCS), in each of our dry docks. In order to resolve the 1999 Notice, PSNS & IMF committed to completing the installation of the PWCS and implementing procedures to minimize the contribution of the copper in bay silt to our permitted discharges.

These actions, along with upgrades to the control logic of our PWCS, constant efforts to improve source-control, and dry-dock cleaning significantly reduced the number and magnitude of these exceedances. In fact, in Calendar Year (CY) 2002 we had no exceedances of monthly limits and only one sample that exceeded a maximum daily limit. Enclosure (1) contains a list of the best management practices that we have had in place since CY 2000. Many of these practices involve very substantial investments in terms of time and money demonstrating our commitment to solving this difficult problem.

Even given these improvements we have seen a steady increase in the number of exceedances since 2002. This increase is a result of changes in the type and quantity of work occurring at PSNS & IMF. The most significant change has been a substantial increase in the number of vessel overhauls. Increasing the number of overhauls has several effects including; increased volume of vessel cooling-water added to our dry dock drainage effluent, increased painting and blasting of copper antifouling paints, and increased quantities of copper-bearing silt being introduced to our dry docks due to the increased number of docking and un-dockings. In particular, the increased volume of effluent has made it difficult to comply with our copper loading limits. The loading limits in our current permit were calculated based on our operations prior to 1994 and do not reflect the volume of cooling water needed by modern Navy vessels.

PSNS & IMF is committed to protecting Sinclair Inlet. Reducing the concentration of copper in our dry-dock discharges will require a multifaceted approach including source control, dry-dock cleaning, and treatment of dry-dock floor runoff. Enclosure (2) is a list of corrective actions that we are in the

process of implementing for each of these areas. We believe these actions will reduce the concentration of copper in our dry-dock drainage system discharges, however, consistent compliance with our loading limits will require a new permit with loading limits reflecting current vessel cooling-water requirements. Our current permit expired in 1999 and we have been working with your agency to develop a new permit with realistic and protective limits. To ensure that this new permit is protective, the Navy has been working cooperatively with your agency and the Washington State Department of Ecology on Project ENVVEST. Project ENVVEST, which stands for ENVironmental inVESTment, is a cooperative project including the Navy, the Washington Department of Ecology, EPA Region 10, and other technical stakeholders for the purpose of developing and demonstrating alternative strategies for protection and improving the ecological integrity of Sinclair and Dyes Inlets and their surrounding watersheds. This project, which is nearing completion, is a detailed study of all sources of copper and other contaminates entering Sinclair and Dyes Inlets. This information will be useful in calculating loading limits that will meet water and sediment quality standards and are within PSNS & IMF's ability to comply.

We look forward to working with you to resolve this problem. Questions or comments regarding this information may be addressed to Mr. Steven Rupp, Code 106.3, at telephone number (360) 476-6009.

Sincerely,

D. J. PETERS
Captain, U. S. Navy
Shipyard Commander

Encl: (1) Summary of Implemented Best Management Practices
(2) Corrective Action Plan

Copy to:
WDOE, NWRO (Water Quality Section)
Mr. Jay Manning, Director-DOE
Ms. Jeannie Summerhays, Director-DOE

SUMMARY OF IMPLEMENTED BEST MANAGEMENT PRACTICES

Enclosure (1)

SUMMARY OF IMPLEMENTED BEST MANAGEMENT PRACTICES

1. Each dry-dock has a process water collection system (PWCS) that monitors the water running off the dry-dock floor and routes the water to the bay or to the sanitary sewer. The systems originally were designed to divert the "first-flush" of a rain event to the sewer. We have upgraded these systems to monitor turbidity and route the water appropriately.

2. Abrasive blasting takes place in negatively ventilated containments. Air exhausted from these containments is filtered by equipment permitted by the Puget Sound Clean Air Agency. This equipment must contain fabric filters with a minimum particulate control efficiency of 99.4% for particles 0.5 microns or larger.

3. Dry-docks are inspected for cleanliness monthly by an inspector from PSNS & IMF's Environment, Safety, and Health Office. The inspector's findings are corrected and are shared with PSNS & IMF managers.

4. Water from pressure washing or hydroblasting of vessel hulls is collected and treated prior to discharge to the sanitary sewer.

5. When cutting up decommissioned vessels, large hull sections are removed from the dry-dock and moved to an indoor cutting facility for final cutting into recyclable material.

6. Before flooding a dry-dock, it is thoroughly cleaned and inspected by PSNS & IMF's Environment, Safety, and Health Office. PSNS & IMF requires that the PSNS & IMF Environment, Safety, and Health Office sign a document verifying that the dock is acceptable for flooding.

7. Used abrasive blast media is collected and contained to prevent contact with stormwater.

8. Where possible, production work in the dry-dock with the potential for producing contaminates is covered to prevent contact with water.

CORRECTIVE ACTION PLAN

Enclosure (2)

CORRECTIVE ACTION PLAN

1. Source Control. Continue ongoing efforts to evaluate new source control technologies to reduce the amount of uncontained copper-bearing debris generated during exterior hull preservation.

2. Dry-dock Cleaning. Evaluate dry-dock cleaning practices and changes to production schedules to reduce the risk of uncontrolled discharges of pollutants.

3. Collection and Treatment of Runoff - PSNS & IMF is improving the efficiency of the dry-dock Process Water Collection Systems (PWCS) by:

a. Modifying our wastewater discharge permit (sewer) to increase the amount of water the PWCSs are allowed to divert to the sewer from 260,000 gallons per day to 400,000. This will reduce the incidences where water that should have been diverted to sewer is allowed to be discharged to the bay. [Completed 1 March 2008.]

b. Lowering the turbidity set point at which the PWCS will start diverting water to sewer (made possible by the increased sewer allotment.) [Completed 1 March 2008.]

c. Upgrading the capacity of our sanitary lift-station #3. A lack of pumping capacity of this lift-station has interfered with the operation of our dry-dock 6 process water collection system causing us to discharge water to the bay that would otherwise have been diverted to the sewer.

d. Implementing PSNS & IMF's requirement that once a vessel is in dock, its cooling water will be diverted from the dry-dock floor as soon as possible. Vessel cooling water must be diverted before we are able to use our PWCS.

e. Correcting dry-dock drainage problems to reduce the amount of water bypassing the PWCSs.

4. Complete evaluation of single pass cooling water usage reduction.